



Modoc

HIGHLIGHTS

Revenues

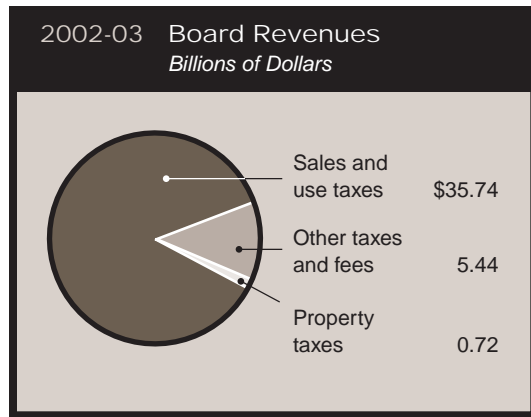
Total Board revenues increase

2002-03 Board of Equalization revenues totaled \$41.9 billion, 3.5 percent higher than the \$40.48 billion collected in 2001-02.

Sales and use tax receipts, which totaled \$34.39 billion in 2001-02, grew to \$35.74 billion, an increase of 3.9 percent. The higher sales and use tax revenue was due in part to a 0.25 percent increase in the sales and use tax rate that occurred on January 1, 2002.

Fuel and excise taxes produce mixed results

California's fuel tax revenue was \$3.28 billion in 2002-03, a 1.1 percent increase from 2001-02. Cigarette and tobacco product tax revenue totaled \$1.06 billion, down 4.1 percent from the \$1.11 billion collected in the previous fiscal year. Revenues from alcoholic beverage taxes totaled \$290.58 million, a decrease of 0.7 percent.



Significant Legislation

Additional legislative summaries are found in the "Legislation" sections of the tax program chapters.

Law establishes incentives for sales tax debt payment

Assembly Bill 2065 (Stats. 2002, ch. 488), provides penalty and interest amnesty for certain sales tax debtors who pay their liabilities in full. Eligible businesses include 927 taxpayers accounting for \$11.7 million in unpaid tax. Through June 2003, the program produced payments of more than \$1 million in delinquent tax.

Bill transfers power plant assessment to Board

Assembly Bill 81 (Stats. 2002, ch. 57) transfers property tax assessment responsibility for certain electric generation facilities to the Board and changes allocation of the resulting taxes to the local tax rate area where the facilities are located.

Cooperative Ventures

California becomes observer in Streamlined Sales Tax Project

In March 2003, California became an observer state in the national Streamlined

Sales Tax Project, an effort by state governments to simplify and modernize sales and use tax collection and administration through uniform definitions, tax rate simplification, uniform tax sourcing rules, simplified exemption administration, and uniform audit procedures.

Board adds use tax return to income tax booklets

To help educate California taxpayers about their use tax obligations, the Board collaborated with the Franchise Tax Board to include a use tax return insert in 2002 individual income tax booklets.

Excellence in Tax Administration

Accounting Section receives award for accurate and timely reporting

In May 2003, the State Controller's Office recognized the Board's Accounting Section with its 2001-02 Award for Achieving Excellence in Financial Reporting. The award is given to agencies that file accurate and timely fiscal year-end reports.

Two agency publications receive awards

Two agency publications were recognized for their excellence this fiscal year. *Working Your Way Up at BOE, A Career Development and Upward Mobility Handbook*, received first place in the Governor's Office of Innovation in Government's Clarity Award competition for internal documents. The *Board of Equalization 2001-02 Annual Report* received a Gold Award in the State Information Officers Council's 2002 Awards Competition.